

**COTEAU FIRE PROTECTION DISTRICT**  
**Houma, LA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**COTEAU FIRE PROTECTION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2013**

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**COTEAU FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

This discussion and analysis of the Coteau Fire Protection District's financial performance provides a narrative overview of the financial activities as of and for the fiscal year ended December 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The net position increased as a result of this year's operations. The net position of our governmental activities increased by \$60,427 approximately 5%. At the end of the year assets exceeded liabilities by \$1,299,966 (net position).
- During the year, expenses for fire protection services were \$465,727. General revenues of \$526,154 were recorded to end the year with revenue exceeding expenses by \$60,427. This compares to last year when net position increased by \$60,672.
- Fund balances of the governmental funds increased slightly \$5,366 to \$545,171. Of the total fund balance, the Board has committed \$200,000 for future emergencies or contingencies, the remainder is considered unassigned and available to budget.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**COTEAU FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Coteau Fire Protection District utilizes the governmental type of fund with the following accounting approach. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**COTEAU FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

Net position increased from \$1,239,539 to \$1,299,966 or 5%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net position represents the accumulated results of all past years' operations.

Our analysis below focuses on the net position and changes in net position of the governmental-type activities.

Condensed Statement of Net Position

	2012	2013	Increase (Decrease)
Current and Other Assets	\$1,058,828	\$1,184,180	\$ 125,352
Capital Assets	1,219,957	1,125,212	(94,745)
<b>Total Assets</b>	<b>2,278,785</b>	<b>2,309,392</b>	<b>30,607</b>
Current Liabilities	9,009	9,322	313
Long-term Liabilities	511,214	361,095	(150,119)
<b>Total Liabilities</b>	<b>520,223</b>	<b>370,417</b>	<b>(149,806)</b>
<b>Deferred Inflows</b>	<b>519,023</b>	<b>639,009</b>	<b>119,986</b>
Net Invested in Capital Assets	708,743	764,117	55,374
Unrestricted	530,796	535,849	5,053
<b>Total Net Position</b>	<b>\$1,239,539</b>	<b>\$1,299,966</b>	<b>\$ 60,427</b>

Condensed Statement of Activities

	2012	2013	Increase (Decrease)
Total program expenses	\$ (434,922)	\$(465,727)	\$ 30,805
Total program revenues	-	-	-
<b>Net program income</b>	<b>(434,922)</b>	<b>(465,727)</b>	<b>(30,805)</b>
General revenues	495,594	526,154	30,560
<b>Change in Net Assets</b>	<b>60,672</b>	<b>60,427</b>	<b>(245)</b>
<b>Net Position:</b>			
Beginning of the year	1,178,867	1,239,539	60,672
End of the year	<b>\$1,239,539</b>	<b>\$1,299,966</b>	<b>\$ 60,427</b>

**COTEAU FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

Revenues for the governmental activities increased by approximately 6%, while expenses increased by 7%.

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The Coteau Fire Protection District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The general fund reported an ending fund balance of \$545,171. This reflects an increase of \$5,366 from the prior year.

Total revenues for the general fund were \$495,594 an increase of 6% from the prior year.

Current expenditures for fire protection activities were \$291,246, an increase of 11% from the prior year due to the addition of salaries and benefits for an employee position added during the year. Capital outlay equaled \$22,163, a significant decrease from the prior year. Debt service payments included \$150,119 of principal and \$23,928 in interest.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year. All variances at the end of the year were in compliance with the State Budget Law.

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation of \$1,017,842, for governmental activities at year-end were \$1,125,212. This year there was additions of \$22,163 of machinery and equipment.

Depreciation of \$116,908 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 4 to the financial statements.

**COTEAU FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**LONG-TERM DEBT**

The District had \$361,095 in long term debt outstanding. Principal payments of \$150,119 and \$23,928 of interest was made on the outstanding debt during the year. More detailed information about the long term debt is presented in Note 6 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of next year's General Fund budget adopted November 26, 2013 include:

	2014
<b>Anticipated revenues</b>	\$ 530,960
<b>Expenditures:</b>	
Current	410,150
Capital outlay	15,000
Debt service	101,924
Anticipated expenditures	527,074
Excess of revenues	3,886
<b>Fund Balance:</b>	
Beginning of the year	431,359
End of the year	\$ 435,245

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Coteau Fire Protection District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Robert Parr, Chairman  
2325 Coteau Road  
Houma, LA  
Phone number 985-868-4355

## ***FINANCIAL SECTION***





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of  
Coteau Fire Protection District  
Houma, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coteau Fire Protection (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2013, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2013 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 3, 2014, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
April 3, 2014



# **COTEAU FIRE PROTECTION DISTRICT**

## **Statement of Net Position**

**December 31, 2013**

### **ASSETS**

Cash	\$ 521,597
Ad Valorem taxes receivable	54,470
Due from other governments	584,540
Miscellaneous receivable	23,573
Capital Assets, net of accumulated depreciation	<u>1,125,212</u>
<b>TOTAL ASSETS</b>	<u><b>2,309,392</b></u>

### **LIABILITIES**

Interest payable	9,322
Long-term liabilities:	
Due in one year	150,119
Due after one year	<u>210,976</u>
<b>TOTAL LIABILITIES</b>	<u><b>370,417</b></u>

### **DEFERRED INFLOWS OF RESOURCES**

Deferred ad valorem tax revenue	<u>639,009</u>
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### **NET ASSETS**

Net Invested in capital assets	764,117
Unrestricted	<u>535,849</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 1,299,966</b></u></u>

See notes to financial statements.

**COTEAU FIRE PROTECTION DISTRICT**

## Statement of Activities - Governmental Activities

For the Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net Revenue (Expense)
		Charges for services	Operating Grants	
Recreational activities:	\$ 465,727	\$ -	\$ -	\$ (465,727)
Total governmental activities	<u>\$ 465,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(465,727)</u>

**GENERAL REVENUES**

Ad valorem taxes	494,127
State	30,718
Miscellaneous	956
Interest earned	353
TOTAL GENERAL REVENUES	<u>526,154</u>

CHANGE IN NET POSITION 60,427

## NET POSITION:

Beginning of year	1,239,539
End of year	<u><u>\$ 1,299,966</u></u>

See notes to the financial statements.

**COTEAU FIRE PROTECTION DISTRICT**  
Balance Sheet - Governmental Fund - General Fund  
December 31, 2013

**ASSETS**

Cash	\$ 521,597
Ad Valorem taxes receivable	54,470
Due from other governments	584,540
Miscellaneous receivable	23,573
<b>TOTAL ASSETS</b>	<b><u>\$ 1,184,180</u></b>

**LIABILITIES AND EQUITY**

Accounts payable	\$ -
Deferred revenue	639,009
<b>TOTAL LIABILITIES</b>	<b><u>639,009</u></b>

**FUND BALANCES**

Unassigned	545,171
<b>TOTAL FUND BALANCES</b>	<b><u>545,171</u></b>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Add - Capital Assets	2,143,054	
Deduct - Accumulated Depreciation	<u>(1,017,842)</u>	1,125,212

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - Long term debt payable	(210,976)	
Deduct - Current portion of debt	(150,119)	
Deduct - Accrued Interest payable	<u>(9,322)</u>	(370,417)
Net assets of governmental activities		<b><u>\$ 1,299,966</u></b>

See notes to financial statements.

# **COTEAU FIRE PROTECTION DISTRICT**

## **Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund - General Fund For the Year Ended December 31, 2013**

### **REVENUES**

Ad Valorem Taxes	\$ 494,127
Intergovernmental - State:	
Revenue Sharing	7,000
Supplemental Pay	12,000
Fire Insurance Rebate	11,718
Miscellaneous	956
Interest	353
<b>TOTAL REVENUES</b>	<u>526,154</u>

### **EXPENDITURES**

Public Safety - current:	
Salaries & benefits	157,490
Supplies & materials	34,777
Other services & charges	63,522
Repairs & maintenance	68,789
<b>Total current</b>	<u>324,578</u>
Capital Outlay	<u>22,163</u>
Debt Service:	
Principal	150,119
Interest	23,928
<b>Total debt service</b>	<u>174,047</u>
<b>TOTAL EXPENDITURES</b>	<u>520,788</u>

NET CHANGE IN FUND BALANCES 5,366

### **FUND BALANCES**

Beginning of year	<u>539,805</u>
End of year	<u>\$545,171</u>

### **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES:**

Net change in fund balances per above \$ 5,366

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital outlay	22,163	
Deduct - Depreciation expense	<u>(116,908)</u>	(94,745)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Deduct - Decrease in interest payable	(313)	
Add - Principal payments on long-term debt	<u>150,119</u>	
		149,806

Change in net assets - governmental activities \$ 60,427

See notes to financial statements.

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

The Coteau Fire Protection District (the District) is governed by a Board of Commissioners appointed by the Terrebonne Parish Consolidated Government organized under La. Revised Statute 40:1492. The District provides for the acquisition, construction, maintenance, and operations of fire protection and emergency medical service facilities, for the purchase of fire trucks and other fire fighting or emergency medical service equipment and paying the cost of obtaining water for fire protection purposes.

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **A.      Reporting Entity**

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Coteau Fire Protection District, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or any other governmental reporting entity.

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Terrebonne Parish Consolidated Government for the year ending December 31, 2013.

#### **B.      Basis of Presentation**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:



## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **B.      Basis of Presentation (continued)**

##### **Governmental-wide Financial Statements (GWFS):**

GWFS include the Statement of Net Position and the Statement of Activities for all activities of the District. The GWFS presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

##### ***Fund Financial Statements (FFS)***

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds. The General Fund is *a/ways* a major fund.

#### **C.      Measurement Focus / Basis of Accounting**

##### ***Government-Wide Financial Statements (GWFS)***

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Measurement Focus / Basis of Accounting (continued)**

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

#### **Fund Financial Statements (FFS)**

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Measurement Focus / Basis of Accounting (continued)**

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2012 property taxes which were levied to finance the 2013 budget are recognized as revenue in 2013. The 2013 tax levy is recorded as deferred revenue in the current financial statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

**Expenditures** – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

#### **D. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **E. Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. As allowed by state law, the Board does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district did not amend its budget for the year ended December 31, 2013. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **F.      Investments**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations. Investments consist of certificates of deposit which are stated at cost and approximate market value.

#### **G.      Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

#### **H.      Prepaid Insurance**

The District has recorded prepaid insurance in the General Fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### **I.      Capital Assets**

In the government-wide financial statements, additions, improvements and other capital outlays that significantly extend the useful life of an asset are recorded and depreciated (capitalized). Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **I. Capital Assets (continued)**

<b>CATEGORY</b>	<b>LIFE</b>
BUILDINGS & IMPROVEMENTS	35 YEARS
VEHICLES	5-40 YEARS
OFFICE FURNITURE, FIXTURE & EQUIPMENT	5-15 YEARS
MACHINERY & EQUIPMENT	5-20 YEARS

In the fund financial statements, capital assets purchased in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### **J. Long-Term Debt**

In the GWFS all long-term debt to be repaid from governmental resources are reported as liabilities. In the FFS long-term debt is not reported as liabilities. Debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

#### **K. Fund Equity**

For government-wide financial statements net assets are classified and displayed in three components:

1. Net invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “net invested in capital assets.”

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **K. Fund Equity (continued)**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity's board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the entity's board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

### **Note 2 DEPOSITS AND INVESTMENTS**

A summary of deposits are listed as follows:

	<b>Bank Balance</b>	<b>Reported Amount</b>
<b>Checking &amp; Savings Accounts</b>	\$530,197	\$521,597
<b>Total Cash</b>	\$530,197	\$521,597

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 2                      DEPOSITS (continued)**

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. The District has a written policy for custodial credit risk. As of year-end \$280,197 of the bank balance of deposits was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. At year-end the District's deposits were adequately collateralized by securities held by unaffiliated banks for the account of the District.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

### **Note 3                      AD VALOREM TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2013 was 18 mills of assessed valuation on property within Terrebonne Parish Coteau Fire Protection District for the purpose of constructing, maintaining and operating recreation facilities within the District.

# **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

## **Note 4 CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>NON-DEPRECIABLE ASSETS</b>				
Land	\$ 47,783	\$ -	\$ -	\$ 47,783
<b>DEPRECIABLE ASSETS:</b>				
Buildings & Improvements	620,839	-	-	620,839
Vehicles	917,396	-	-	917,396
Machinery & Equipment	523,936	22,163	-	546,099
Office Furniture & Equipment	10,937	-	-	10,937
Total Cost of depreciable assets	2,073,108	22,163	-	2,095,271
Total Cost of assets	2,120,891	22,163	-	2,143,054
<b>ACCUMULATED DEPRECIATION</b>				
Buildings & Improvements	80,189	17,952	-	98,141
Vehicles	445,413	56,167	-	501,580
Machinery & Equipment	368,383	42,486	-	410,869
Office Furniture & Equipment	6,949	303	-	7,252
Total accumulated depreciation	900,934	116,908	-	1,017,842
Net depreciable assets	\$1,172,174			\$1,077,429
Net capital assets	\$1,219,957			\$1,125,212

Depreciation Expense of \$116,908 was recorded in the governmental activities.

## **Note 5 DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units consisted of the following:

Governmental Agency:	For:	Amount
Terrebonne Parish Tax Collector	December tax collections	\$584,540
		<u>\$584,540</u>



## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 6      LONG-TERM DEBT**

A summary of changes in the long-term debt for the year is as follows:

<b>CATEGORY</b>	<b>BALANCE</b>	<b>ADDITIONS</b>	<b>PAYMENTS</b>	<b>BALANCE</b>
Fire Truck Lease	\$60,203	\$ -	\$60,203	\$ -
Aerial Pumper #3	299,697	-	56,721	242,976
Station COI	151,314	-	33,195	118,119
<b>TOTAL</b>	<b>\$511,214</b>	<b>\$ -</b>	<b>\$150,119</b>	<b>\$361,095</b>

The District entered into a financing lease agreement for the acquisition of a fire truck in 2005. The lease agreement bears an interest rate of 4.85% and is repayable through 2015. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$171,473 as a capital asset.

The District entered into a financing lease agreement for the acquisition of a fire truck on January 15, 2012. The lease agreement is for a new truck to be housed in the newly constructed Lower Coteau Fire Station. Although the proceeds from the lease are in escrow as of the end of the year, the first lease payment was made on March 1, 2013 and the title to the truck has transferred and was capitalized as of December 31, 2013. The lease bears an interest rate of 4.775% and is repayable on March 1<sup>st</sup> through 2017. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The asset was recorded at a cost of \$512,532 as a capital asset. On June 28, 2013 the Board agreed to re-finance the lease with Government Capital Corp. reducing the interest rate from 5.04% to 4.75% saving about \$3,000 over the life of the loan. The total amount refinanced was \$357,031.

On July 24, 2008 the Board passed a resolution incurring debt with the issuance of Certificates of Indebtedness, Series 2013 in the sum of \$334,254 in connection with construction of a new fire station. The certificates bear an interest rate of 5.295%. The construction of the station was completed in 2013 and the station was transferred to capital assets at \$502,700.

## **COTEAU FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### **Note 6      LONG-TERM DEBT (continued)**

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
<b>2014</b>	\$ 93,525	\$ 16,775	\$ 110,300
<b>2015</b>	\$ 98,584	\$ 12,340	\$ 110,924
<b>2016</b>	\$ 104,989	\$ 5,935	\$ 110,924
<b>2017</b>	\$ 63,997	\$ 2,825	\$ 66,822
	<u>\$ 361,095</u>	<u>\$ 37,874</u>	<u>\$ 398,969</u>

### **NOTE 7      FIREFIGHTERS RETIREMENT SYSTEM**

**PLAN DESCRIPTION** – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

**FUNDING POLICY** – Plan members are required to contribute 10% of their earnable compensation and the District is required to contribute an actuarially determined rate. For the current year, the rate is 28.25%. The contribution requirements of plan members and the District are established and may be amended by state statute. As of June 30, 2013, FRS was 71.13% funded compared to 71.66 % as of June 30, 2012.

This slight decrease results from unfavorable market conditions along with favorable liability experience. Net assets held in trust to pay pension benefits at June 30, 2013 totaled \$1.2 billion.

The District's contributions to the System for the years ending December 31, 2011, 2012, and 2013 were \$15,600, \$15,657, and \$25,080 respectively and are included in Salaries and Benefits on the fund financial statements.

## ***COTEAU FIRE PROTECTION DISTRICT***

Notes to the Financial Statements  
For the Year Ended December 31, 2013

### ***Note 8        RISK MANAGEMENT***

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

### ***Note 9        COMPENSATION OF BOARD MEMBERS***

No compensation was paid to Board Members for the year.

***REQUIRED SUPPLEMENTAL  
INFORMATION***

**COTEAU FIRE PROTECTION DISTRICT****Budget Comparison Schedule - General Fund****For the Year Ended December 31, 2013**

	Budgets		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$501,100	\$494,000	\$494,127	\$ 127
State Intergovernmental Revenue	29,000	30,750	30,718	(32)
Miscellaneous	500	4,950	956	(3,994)
Interest	360	400	353	(47)
<b>TOTAL REVENUES</b>	<b>530,960</b>	<b>530,100</b>	<b>526,154</b>	<b>(3,946)</b>
<b>EXPENDITURES</b>				
Public safety - current:				
Salaries & benefits	174,900	158,000	157,490	510
Supplies & materials	43,900	55,350	34,777	20,573
Other services & charges	117,800	68,200	63,522	4,678
Repairs & maintenance	48,200	62,000	68,789	(6,789)
Total public safety - current	384,800	343,550	324,578	18,972
Capital outlay	9,000	24,000	22,163	1,837
Debt Service:				
Principal	98,281	150,120	150,119	1
Interest	25,760	23,940	23,928	12
<b>Total debt service</b>	<b>124,041</b>	<b>174,060</b>	<b>174,047</b>	<b>13</b>
<b>TOTAL EXPENDITURES</b>	<b>517,841</b>	<b>541,610</b>	<b>520,788</b>	<b>20,822</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>13,119</b>	<b>(11,510)</b>	<b>5,366</b>	<b>(24,768)</b>
<b>FUND BALANCES</b>				
Beginning of year	525,584	442,907	539,805	96,898
End of year	<u>\$ 538,703</u>	<u>\$ 431,397</u>	<u>\$ 545,171</u>	<u>\$ 72,130</u>

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Commissioners of  
Coteau Fire Protection District  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Coteau Fire Protection District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 3, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

April 3, 2014  
Thibodaux, Louisiana





**COTEAU FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**For the Year Ended December 31, 2013**

We have audited the basic financial statements of the Coteau Fire Protection District, a component unit of Terrebonne Parish Consolidated Government, which collectively comprise the basic financial statements as of and for the year ended December 31, 2013, and have issued our report thereon dated April 3, 2014. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The independent auditor's opinion on the basic financial statements was unqualified.

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District did not expend federal awards in excess of \$500,000 during the year and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

***Section III - Federal Award Findings and Questioned Costs***

- Not applicable.

